

Message Text

UNCLASSIFIED

PAGE 01 DHAHRA 00346 200710Z

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 /031 W

-----200722Z 015744 /11

R 200500Z MAR 77

FM AMCONSUL DHAHRAN

TO USDOC WASHDC

AMEMBASSY JIDDA

INFO SECSTATE WASHDC 5325

AMEMBASSY ATHENS

AMEMBASSY DOHA

UNCLAS DHAHRAN 0346

ATHENS FOR RTDO

E.O. 11652: N/A

TAGS: BEXP, SA

SUBJECT: EARLY WARNING -- 500 HOUSING UNITS FOR PETROMIN

1. JAMIL KHAYAT, RESIDENT REPRESENTATIVE IN DHAHRAN OF PETROMIN (SAG-OWNED DOMESTIC MARKETER OF PETROLEUM PRODUCTS), HAS ADVISED POST THAT PETROMIN IS DEVELOPING LIST OF HOUSING MANUFACTURERS/BUILDERS WHO COULD CONSTRUCT 500 UNITS ON PETROMIN-PURCHASED PROPERTY JUST SOUTH OF ENTRANCE TO DAMMAM PORT CAUSEWAY. SITE SERVICES AND UTILITIES ARE TO BE BROUGHT IN BY LOCAL MUNICIPALITY; HENCE CONTRACTOR BUILDING HOUSES WILL BE REQUIRED ONLY TO ERECT BUILDINGS AND TO HOOK UP UTILITIES.

2. PETROMIN CURRENTLY IS ASSEMBLING NAMES OF COMPANIES WHICH ARE INTERESTED IN DOING PROJECT. KHAYAT DOUBTS THAT PROJECT WILL OPEN TENDER BUT, RATHER, HIS ORGANIZATION WILL, AFTER REVIEWING MATERIALS SUPPLIED BY THOSE INTERESTED IN DOING PROJECT, DEVELOP SHORT LIST OF EIGHT COMPANIES THAT APPEAR BEST ABLE TO PROVIDE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 DHAHRA 00346 200710Z

SUITABLE DWELLINGS AT LOWEST PRICE. THESE COMPANIES WILL THEN BE INVITED TO MAKE FINAL PRESENTATIONS BEFORE SELECTION. PETROMIN EXECUTIVE STRESSED DURABILITY IN DISCUSSING PROJECT ("A HOUSE IN WHICH YOU CAN POUND A NAIL IN THE WITHOUT CRACKING IT" HE SAID). IDEALLY THE MATERIAL SHOULD BE CEMENT AND CONSTRUCTED ON THE SITE. HOWEVER, COMPANY WILL CONSIDER ALTERNATIVES, LIKE FOAM

CONCRETE, METAL OR OUTER WALLS MADE OF LAYERS OF DURABLE MATERIAL. ONE THING IS FOR CERTAIN -- MANUFACTURERS OF MOBIL HOMES ("DOUBLE-WIDES" OR WHATEVER) NEED NOT APPLY, AS PETROMIN CONSIDERS THEM WORTHY ONLY AS TEMPORARY STRUCTURES. UNITS SHOULD BE DESIGNED TO OFFER CONSIDERABLE FLEXIBILITY IN FLOOR PLAN.

3. TIMING OF PROJECT CANNOT NOW BE DETERMINED AS ALL FINANCING ARRANGEMENTS HAVE NOT BEEN COMPLETED. PETROMIN IS ASKING MINFIN FOR WHAT AMOUNTS TO 50 PERCENT SUBSIDY AND, PERHAPS, EMBASSY JIDDA CAN BE BETTER JUDGE OF HOW SUCCESSFUL THE REQUEST FOR FUNDS WILL BE. REMAINDER WILL BE COVERED BY SAUDI REAL ESTATE FUND. PLAN IS FOR PETROMIN TO BUILD THE HOUSES AND THEN SUB-DIVIDE THE PROJECT FOR EMPLOYEES TO BUY UNDER LONG-TERM MORTGAGE. UNTIL FINANCING QUESTION IS RESOLVED, DIFFICULT TO SAY WHEN SHORT LIST WILL BE DRAWN UP (SEE PARA 2).

4. CONTRACTORS AND MANUFACTURERS INTERESTED IN SUBMITTING PROPOSALS TO PETROMIN SHOULD SEND THEM TO ECONOMIC/COMMERCIAL SECTION, AMERICAN CONSULATE GENERAL, APO NEW YORK 09616 WITH, INSIDE, COVERING LETTER ADDRESSED TO JAMIL KHAYAT (SEE PARA 1). INTERNATIONAL MAIL SERVICE TO DHAHRAN IS GOOD, AND, SINCE PETROMIN REGIONAL HEADQUARTERS IS JUST ACROSS STREET FROM CONGEN, PROPOSALS CAN EASILY AND QUICKLY BE DELIVERED TO MR. KHAYAT. POST -- INCIDENTLY -- WOULD APPRECIATE RECEIVING EXTRA COPY OF EACH COMPANY'S PROPOSAL FOR IST FILES AS IT RECEIVES INQUIRIES FROM OTHER LOCAL COMPANIES FROM TIME TO TIME.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 DHAHRA 00346 200710Z

5. FYI -- KHAYA STATED THAT PETROMIN PLANNING ON BUILDING SIMILAR HOUSING COMPOUNDS FOR ITS EMPLOYEES IN OTHER CITIES. 150 HOUSING UNITS PLANNED FOR JIDDA AND 750 HOUSING UNITS PLANNED FOR RIYADH. PROJECTS IN THOSE TWO CITIES NOT NEARLY AS ADVANCED AS ONE IN DHAHRAN, SINCE LAND FOR THOSE HOUSING PROJECTS NOT IDENTIFIED NOR HAS APPLICATION FOR FINANCING BEEN MADE. NEVERTHELESS, INTEREST EXPRESSED IN THIS PROJECT COULD LEAD TO U.S. COMPANY BEING SELECTED FOR DHAHRAN, RIYADH, AND/OR JIDDA PROJECTS.

6. FOR USDOC -- PLEASE ADVISE JOHN H. HENDRICH, HENDRICH BUILDING SYSTEM, ERIE, PENNA (TEL: 814-833-7768) OF PROJECT DISCUSSED ABOVE. ALSO PASS TO HENDRICH CONTENTS OF DOHA 156 AND 172, WHICH DISCUSS ANOTHER HOUSING PROJECT THAT COULD BE OF INTEREST TO US COMPANY, HENDRICH, INCIDENTLY, IS NOW BUILDING SMALL BUT VERY SUITABLE HOUSING PROJECT FOR WESTINGHOUSE IN ALKHOBAR.

WE HAVE PROVIDED FOREGOING TO HENDRICH'S LOCAL AGENT
AND HE EXPECTS REP HERE VERY SOON ON ROUTINE VISIT.

7. FOR JIDDA -- UNDERSTAND THAT US COMPANY CALLED
ZACHARY, WITH OFFICES IN JIDDA, PRODUCES HOUSES OF THE
KIND THAT COULD BE OF INTEREST TO PETROMIN. POT GIVEN
THE FOLLOWING NAMES AS INDIVIDUALS CONNECTED WITH ZACHARY:.
JOHN GOOD OR MIKE FAWZI. PLEASE PROVIDE THEM WITH COPY OF
THIS MESSAGE.
BUSHNELL

NOTE BY OC/T: #AS RECEIVED.

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DHAHRA00346
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770095-1004
Format: TEL
From: DHAHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770341/aaaabjov.tel
Line Count: 128
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 768c5cb5-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3055045
Secure: OPEN
Status: NATIVE
Subject: EARLY WARNING -- 500 HOUSING UNITS FOR PETROMIN
TAGS: BEXP, SA
To: COM JIDDA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/768c5cb5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009